Jethro M. Eisenstein (JE 6848) PROFETA & EISENSTEIN 14 Wall Street, 22nd Floor New York, New York 10005 Tel. No.: (212) 577-6500 Fax No.: (212) 577-6702

Attorneys for Plaintiff

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

CARAVAN, LTD.

Docket No.: 08 CV 4781 (GBD)

REPLY

Plaintiff,

-against-

DANA KAY, INC., J.C. PENNEY CO., INC., MACY'S and CATHERINE STORES CORPORATION,

Plaintiff Caravan, Ltd., by its attorneys, Profeta & Eisenstein, as and for its reply to the counterclaims of defendants, states as follows upon information and belief:

- 1. Admits the allegations contained in paragraph 1 of the counterclaim.
- 2. Admits the allegations contained in paragraph 2 of the counterclaim.
- 3. Admits the allegations contained in paragraph 3 of the counterclaim.
- 4. Denies the allegations contained in paragraph 4 of the counterclaim.

- 5. Denies the allegations contained in paragraph 5 of the counterclaim.
- 6. Denies the allegations contained in paragraph 6 of the counterclaim.
- 7. Denies the allegations contained in paragraph 7 of the counterclaim.
- 8. Denies the allegations contained in paragraph 8 of the counterclaim.
- 9. Denies the allegations contained in paragraph 9 of the counterclaim.
- 10. With respect to the allegations repeated and realleged in paragraph 10 of the counterclaims, plaintiff makes the same admissions and denials as if herein set forth at length.
- 11. Admits the allegations contained in paragraph 11 of the counterclaim.
- 12. Denies the factual allegations contained in paragraph 12 of the counterclaim and respectfully refers questions of law to the Court.
- 13. Denies the factual allegations contained in paragraph 13 of the counterclaim and respectfully refers questions of law to the Court.
- 14. Denies the allegations contained in paragraph 14 of the counterclaim.

- 15. Paragraph 15 of the counterclaim need not be answered as it does not allege any material facts.
- 16. Denies the allegations contained in paragraph 16 of the counterclaim.
- 17. With respect to the allegations repeated and realleged in paragraph 17 of the counterclaim, plaintiff makes the same admissions and denials as if herein set forth at length.
- 18. Denies the allegations contained in paragraph 18 of the counterclaim.
- 19. Denies the allegations contained in paragraph 19 of the counterclaim.
- 20. Denies the allegations contained in paragraph 20 of the counterclaim.
- 21. With regard to the allegations repeated and realleged in paragraph 21 of the counterclaims, plaintiff makes the same admissions and denials as if herein set forth at length.
- 22. Denies the allegations contained in paragraph 22 of the counterclaim.
- 23. Denies the allegations contained in paragraph 23 of the counterclaim.
- 24. Denies the allegations contained in paragraph 24 of the counterclaim.

WHEREFORE, plaintiff prays for judgment dismissing the counterclaims with costs and disbursements.

Dated: New York, New York August 4, 2008

Respectfully submitted,

PROFETA & EISENSTEIN Attorneys for plaintiff

By:

Jethro M. Eisenstein A Member of the Firm 14 Wall Street, 22nd Floor New York, New York 10005

TO:

FOGEL & WACHS, P.C. Attorneys for the Defendants 420 Fifth Avenue New York, New York 10018